

NOTICES OF PROPOSED RULEMAKING

This section of the *Arizona Administrative Register* contains Notices of Proposed Rulemakings.

A proposed rulemaking is filed by an agency upon completion and submittal of a Notice of Rulemaking Docket Opening. Often these two documents are filed at the same time and published in the same *Register* issue.

When an agency files a Notice of Proposed Rulemaking under the Administrative Procedure Act (APA), the notice is published in the *Register* within three weeks of filing. See the publication schedule in the back of each issue of the *Register* for more information.

Under the APA, an agency must allow at least 30 days to elapse after the publication of the Notice of Proposed Rulemaking in the *Register* before beginning any proceedings for making, amending, or repealing any rule. (A.R.S. §§ 41-1013 and 41-1022)

The Office of the Secretary of State is the filing office and publisher of these rules. Questions about the interpretation of the proposed rules should be addressed to the agency the promulgated the rules. Refer to item #4 below to contact the person charged with the rulemaking and item #10 for the close of record and information related to public hearings and oral comments.

NOTICE OF PROPOSED RULEMAKING

TITLE 4. PROFESSIONS AND OCCUPATIONS

CHAPTER 11. STATE BOARD OF DENTAL EXAMINERS

[R15-24]

PREAMBLE

1. Article, Part, or Section Affected (as applicable)
R4-11-1701

Rulemaking Action
Amend

2. <u>Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):</u>

Authorizing statute: A.R.S. § 32-1207(A)(1)

Implementing statute: A.R.S. §§ 32-1263.01 and 32-1263.02

3. <u>Citations to all related notices published in the Register as specified in R1-1-409(A) that pertain to the record of the proposed rule:</u>

Notice of Rulemaking Docket Opening: 21 A.A.R. 524, April 10, 2015

<u>4.</u> The agency's contact person who can answer questions about the rulemaking:

Name: Elaine Hugunin, Executive Director Address: State Board of Dental Examiners

4205 N. 7th Ave., Suite 300

Phoenix, AZ 85013

Telephone: (602) 542-4493 Fax: (602) 242-1445

E-mail: elaine.hugunin@azdentalboard.us

Web site: www.dentalboard.az.gov

5. An agency's justification and reason why a rule should be made, amended, repealed or renumbered, to include an explanation about the rulemaking:

The Five-Year rule review identified necessary amendments to A.A.C. Title 4, Chapter 11, Article 17 Rehearing or Review. The Five-Year Rule Review proposed action included:

Deleting the last sentence in R4-11-1701(G) as it is inconsistent with A.R.S. § 41-1092.09, and

The word "party" in A.A.C. R4-11-1701(A) should be changed to "licensee" to be consistent with A.R.S. § 32-1263.02(H).

The rule will include format, style, and grammar necessary to comply with the current rules of the Secretary of State.

The Board believes that approval of these rules will benefit the public health and safety by clearly establishing the procedures for a rehearing or review of a Board order.



6. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

The agency did not review or rely on any study relevant to the rule.

7. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

The proposed rule will impact the Board, licensees and the public.

The amended rule's impact on established Board of Dental Examiners' procedures and office related costs is minimal. The rule's net economic impact for the Board is minimal.

The Board estimates the amended rule will have minimal economic impact on licensees. The cost to the individual or entity is minimal.

The amended rule has no economic impact on the public. The Board, licensees, and the public benefit from rules that are clear, concise, and understandable. The Board believes that approval of these rules will benefit the public health and safety by clearly establishing the procedures for a rehearing or review of a Board order.

9. The agency's contact person who can answer questions about the economic, small business and consumer impact statement:

Name: Elaine Hugunin, Executive Director Address: State Board of Dental Examiners

State Board of Dental Examiners 4205 N. 7th Ave., Suite 300

Phoenix, AZ 85013

Telephone: (602) 542-4493 Fax: (602) 242-1445

E-mail: elaine.hugunin@azdentalboard.us

Web site: www.dentalboard.az.gov

10. The time, place, and nature of the proceedings to make, amend, repeal, or renumber the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Comments may be written or presented orally. Written comments must be received by 5:00 p.m., Monday, June 22, 2015. An oral proceeding is scheduled for:

Date: June 22, 2015 Time: 10:00 a.m.

Location: 4205 N. 7th Ave., Suite 300

Phoenix, AZ 85013

A person may request information about the oral proceeding by contacting the person listed above.

11. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:

Not applicable

a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:

The rule does not require a permit.

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:

c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:

No

- 12. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:

 None
- 13. The full text of the rules follows:



TITLE 4. PROFESSIONS AND OCCUPATIONS

CHAPTER 11. STATE BOARD OF DENTAL EXAMINERS

ARTICLE 17. REHEARING OR REVIEW

Section R4-11-1701. Procedure

ARTICLE 17. REHEARING OR REVIEW

R4-11-1701. Procedure

- **A.** Except as provided in subsection (F), a party licensee, certificate holder, or business entity who is aggrieved by an order issued by the Board may file a written motion for rehearing or review with the Board, pursuant to A.R.S. Title 41, Chapter 6, Article 10, specifying the grounds for rehearing or review.
- **B.** A party licensee, certificate holder, or business entity filing a motion for rehearing or review under this rule may amend the motion at any time before it is ruled upon by the Board. Other parties or the attorney general the opposing party may file a response within 15 days after the date the motion for rehearing or review is filed. The Board may require that the parties file supplemental memoranda explaining the issues raised in the motion, and may permit oral argument.
- **C.** The Board may grant a rehearing or review of the order for any of the following causes materially affecting a party's licensee, certificate holder, or business entity's rights:
 - 1. Irregularity in the proceedings of the Board or any order or abuse of discretion, which deprived a party licensee, certificate holder, or business entity of a fair hearing;
 - 2. Misconduct of the Board, its personnel, the informal interviewing officer, the investigative interview panel, the hearing officer, the administrative law judge, or the prevailing party;
 - 3. Accident or surprise which could not have been prevented by ordinary prudence;
 - 4. Excessive or insufficient penalties;
 - 5. Error in the admission or rejection of evidence or other errors of law occurring at the hearing or during the progress of the proceeding;
 - 6. That the findings of fact or decision is arbitrary, capricious, or an abuse of discretion;
 - 7. That the findings of fact of decision is not justified by the evidence or is contrary to law; or
 - 8. Newly discovered, material evidence which could not, with reasonable diligence, have been discovered and produced at the original hearing.
- **D.** The Board may affirm or modify the order or grant a rehearing or review to all or any of the parties on all or part of the issues for any of the reasons in subsection (C). After giving the parties notice and an opportunity to be heard on the matter, the Board may grant a motion for rehearing or review, timely served, for a reason not stated in the motion. The Board, within the time for filing a motion for rehearing or review, may grant a rehearing or review on its own initiative for any reason for which it might have granted relief on motion of a party. An order granting a rehearing or review shall specify the grounds on which rehearing or review is granted, and any rehearing or review shall cover only those matters specified.
- **E.** When a motion for rehearing or review is based upon affidavits, they shall be served with the motion. An opposing party or the attorney general may, within 15 days after such service, serve opposing affidavits.
- **F.** If the Board makes specific findings that the immediate effectiveness of the order is necessary for the preservation of public health and safety and that a rehearing or review is impracticable, unnecessary, or contrary to the public interest, the order may be issued as a final order without an opportunity for a rehearing or review. If an order is issued as a final order without an opportunity or rehearing or review, the aggrieved party shall make an application for judicial review of the order within the time limits permitted for application for judicial review of the Board's final order.
- **G.** The Board shall rule on the motion for rehearing or review within 15 days after the response has been filed, or at the Board's next meeting after the motion is received, whichever is later. If a rehearing or review is granted, the Board shall hold the rehearing or review within 120 days after it issues the order granting the rehearing or review. If a motion for rehearing or review is not considered or reheard within these time limits, the motion is granted.



NOTICE OF PROPOSED RULEMAKING

TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS; SECURITIES REGULATION

CHAPTER 5. CORPORATION COMMISSION – TRANSPORTATION

[R15-25]

PREAMBLE

<u>1.</u>	Article, Part, or Section Affected (as applicable)	Rulemaking Action
	R14-5-202	Amend
	R14-5-203	Amend
	R14-5-204	Amend
	R14-5-205	Amend
	R14-5-207	Amend

2. Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):

Authorizing statute: A.R.S. § 40-441.

Implementing statute: Arizona Constitution, Article XV § 3.

3. <u>Citations to all related notices published in the Register as specified in R1-1-409(A) that pertain to the record of the proposed rule:</u>

Notice of Rulemaking Docket Opening: 21 A.A.R. 685, May 15, 2015 (in this issue).

4. The agency's contact person who can answer questions about the rulemaking:

Name: Charles Hains, Commission Counsel, Legal Division

Address: Arizona Corporation Commission

1200 W. Washington St. Phoenix, AZ 85007

Telephone: (602) 542-3402
Fax: (602) 542-4870
E-mail: Chains@azcc.gov
Web site: www.azcc.gov

5. An agency's justification and reason why a rule should be made, amended, repealed or renumbered, to include an explanation about the rulemaking:

The purpose of the proposed rules is to amend R14-5-202, R14-5-203, R14-5-204, R14-5-205 and R14-5-207, of the Pipeline Safety Rules.

The amendments to R14-5-202, R14-5-203, R14-5-204, R14-5-205 and R14-5-207 are revised for clarity and to update incorporations by reference of the most recent amendments to the Code of Federal Regulations ("CFR"), Title 49.

The Commission is exempt from the Executive Order 2015-01 requirement to obtain prior approval before engaging in rulemaking proceedings.

6. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

7. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

None

8. The preliminary summary of the economic, small business, and consumer impact:

Small Business Subject to the Rules: These rules do not change the responsibilities of master meter operators already established in 1970 by the adoption by the Commission of the Code of Federal Regulations, Title 49, Parts 191 and 192.

The proposed rules will have no effect upon consumers or users of the gas service provided by regulated public utilities as they presently are required to be in compliance with all standards, but, this will benefit consumers, users and the general public by maintaining a safe pipeline system.

Operators of Liquefied Natural Gas facilities will experience some increased testing costs when welding is per-



formed. However, because welding is a nonrecurring activity, the additional cost is anticipated to be minimal.

The proposed rules are the least costly method for obtaining compliance with the long standing minimum safety standards. The rules do not impose additional standards. There is no less intrusive method.

9. The agency's contact person who can answer questions about the economic, small business and consumer impact statement:

Name: Robert Miller, Office of Pipeline Safety Address: Arizona Corporation Commission

2200 N. Central Ave., Ste. 300

Phoenix, AZ 85004

Telephone: (602) 262-5601
Fax: (602) 262-5620
E-mail: RMiller@azcc.gov
Web site: www.azcc.gov

10. The time, place, and nature of the proceedings to make, amend, repeal, or renumber the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

The Commission has scheduled the following oral proceeding for public comments:

Date: June 18, 2015 Time: 10:00 a.m.

Location: Arizona Corporation Commission

Hearing Room 1

1200 W. Washington St. Phoenix, AZ 85007

Nature: Public Comment Hearing

Written comments can be submitted on or before June 15, 2015, to the Commission's Docket Control at the address listed above. Please reference Docket No. RG-00000A-15-0098 on all documents.

Oral comments may be provided at the proceedings on June 18, 2015, at 10:00 a.m.

11. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:

None

a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:

Not applicable

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:

Not applicable

c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:

Not applicable

12. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:

49 CFR 40 (February 5, 2015) adopted in R14-5-202(B)

49 CFR 191 (February 5, 2015) adopted in R14-5-202(B)

49 CFR 192 (February 5, 2015), except I(A)(2) and (3) of Appendix D to part 192 adopted in R14-5-202(B)

49 CFR 193 (February 5, 2015) adopted in R14-5-202(B)

49 CFR 195 (February 5, 2015), except 195.1(b)(2), (3), and (4) adopted in R14-5-202(B)

49 CFR 199 (February 5, 2015) adopted in R14-5-202(B)

13. The full text of the rules follows:

TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS; SECURITIES REGULATION

CHAPTER 5. CORPORATION COMMISSION – TRANSPORTATION



ARTICLE 2. PIPELINE SAFETY

Section	
R14-5-202.	Construction and Safety Standards for Gas, LNG, and Hazardous Liquid Pipeline Systems
R14-5-203.	Pipeline Incident Reports
R14-5-204.	Annual Reports
R14-5-205.	Commission Investigations
R14-5-207.	Master Meter System Operators

ARTICLE 2. PIPELINE SAFETY

R14-5-202. Construction and Safety Standards for Gas, LNG, and Hazardous Liquid Pipeline Systems

- **A.** Applicability: This Section applies to the construction, reconstruction, repair, operation, and maintenance of each intrastate gas, LNG, or hazardous liquid pipeline system, pursuant to A.R.S. § 40-441.
- **B.** Subject to the definitional changes in R14-5-201 and the modifications noted in this Section, the Commission adopts, incorporates, and approves as its own 49 CFR 40; 191; 192, except (I)(A)(2) and (3) of Appendix D to Part 192; 193; 195, except 195.1(b)(2), (3), and (4); and 199(October 1, 2012February 5, 2015), including no future editions or amendments, which are incorporated by reference; on file with the Office of Pipeline Safety; and published by and available from the U.S. Government Printing Office, 710 North Capital Street N.W., Washington DC 20401, and at http://www.gpo.gov/fdsys/. For purposes of 49 CFR 192, "Business District" means an area where the public congregate for economic, industrial, religious, educational, health, or recreational purposes and two or more buildings used for these purposes are located within 100 yards of each other.
- C. The above mentioned incorporated Parts of 49 CFR, except 49 CFR 191; 49 CFR 192.727(g)(1), 192.913(b)(1)(vii), 192.943(a), 192.949(a)-(b), and 192.951; 49 CFR 193 Subpart A; and 49 CFR 195 Subparts A and B, are revised as follows:
 - 1. Substitute "Commission" where "Administrator," "Pipeline and Hazardous Materials Administration," "Office of Pipeline Safety," or "OPS" appears; and
 - 2. Substitute "Office of Pipeline Safety, Arizona Corporation Commission, at its office in Phoenix, Arizona" where the address for the "Information Resources Manager, Office of Pipeline Safety, Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation" appears.
- **D.** An operator of an intrastate pipeline shall file with the Commission an Operation and Maintenance Plan, including an emergency plan, at least 30 days before placing a pipeline system into operation. Any changes in an existing Operation and Maintenance Plan shall be filed within 30 days after the effective date of the change.
- **E.** An operator of an intrastate pipeline transporting sour gas or sour oil shall comply with the following industry standards addressing facilities handling hydrogen sulfide (H₂S), which are incorporated by reference, including no future editions or amendments:
 - NACE Standard MR0175-99, Standard Materials Requirements-Sulfide Stress Cracking Resistant Metallic Material for Oilfield Equipment (1999 Revision), on file with the Office of Pipeline Safety and published by and available from the NACE International, 1440 S. Creek Dr., Houston, TX 77084-4906; and
 - API RP55: Recommended Practice for Conducting Oil and Gas Producing and Gas Processing Plant Operations Involving Hydrogen Sulfide (2nd Edition 1995), on file with the Office of Pipeline Safety and published by and available from the American Petroleum Institute, 1200 L Street, NW, Washington, DC 20005-4070 and at http:// www.techstreet.com/.
- F. An operator of an intrastate pipeline transporting LNG, hazardous liquid, or gas shall not construct any part of a hazardous liquid, LNG, or gas pipeline system under a building. If a building encroaches over a pipeline system, the operator may require the property owner to remove the building from over the pipeline or to reimburse the operator the cost associated with relocating the pipeline system. The operator shall determine, within 90 days after discovering the encroachment, whether the encroachment can be resolved within 180 days. If the operator determines that the encroachment cannot be resolved within 180 days, the operator shall, within 90 days of discovery, submit to the Office of Pipeline Safety a written plan to resolve the encroachment within a period longer than 180 days. The Office of Pipeline Safety may then extend the 180-day requirement in order to allow the property owner and the operator to implement the written plan to resolve the encroachment. If the operator does not submit a written plan, and the encroachment is not resolved within 180 days of discovery, the operator shall discontinue service to the pipeline system. This modifies 49 CFR 192.361 and 195.210.
- **G.** An operator of an intrastate distribution pipeline transporting gas shall not construct any part of a pipeline system less than 8 inches away from any other underground structure. If the 8-inch clearance cannot be maintained, a sleeve, casing, or shielding shall be used. This modifies 49 CFR 192.361.
- **H.** An operator of an intrastate pipeline transporting gas that has regulators, meters, or regulation meter sets that have been out of service for 36 months shall disconnect the pipeline from all sources and supplies of gas or hazardous liquids, purge the gas or hazardous liquids from the pipeline being disconnected, and cap all ends within six months after the 36 months have passed. This modifies 49 CFR 192.727.



- I. An operator of an intrastate pipeline shall not install or operate a gas regulator that might release gas within 3 feet of a source of ignition, an opening into a building, an air intake into a building, or any electrical source that is not intrinsically safe. The 3 foot clearance from a source of ignition shall be measured from the vent or source of release (discharge port), not from the physical location of the meter set assembly. This subsection does not apply to building permits issued and subdivisions platted before October 1, 2000. If an encroachment into the required 3 foot clearance is caused by an action of the property owner, an occupant, or a provider after the effective date of this rule, the operator may require the property owner to resolve the encroachment or to reimburse the operator the cost associated with relocating the pipeline system. The operator shall determine, within 90 days after discovering the encroachment, whether the encroachment can be resolved within 180 days. If the operator determines that the encroachment cannot be resolved within 180 days, the operator shall, within 90 days of discovery, submit to the Office of Pipeline Safety a written plan to resolve the encroachment within a period longer than 180 days. The Office of Pipeline Safety may then extend the 180-day requirement in order to allow the property owner and the operator to implement the written plan to resolve the encroachment. If the operator does not submit a written plan, and the encroachment is not resolved within 180 days of discovery, the operator shall discontinue service to the affected pipeline system. This modifies 49 CFR 192.357 and 192.361.
- J. An operator of an intrastate pipeline transporting LNG, gas, or a hazardous liquid shall use a cathodic protection system designed to protect the metallic pipeline in its entirety, in accordance with 49 CFR 192, Subpart I, October 1, 2010 (and no future amendments), as incorporated by reference in subsection (B), and copies available from the Office of Pipeline Safety and the United States Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250-7954, except. Sections (I)(A)(2) and (3) of Appendix D to Part 192 shall not be utilized. This modifies 49 CFR 192.463(a), 193.2629, and 195.571
- **K.** An operator of an intrastate pipeline transporting hazardous liquid or gas shall not install Acrylonitrile-Butadiene-Styrene (ABS) or aluminum pipe in a pipeline system. This modifies 49 CFR 192.53 and 192.59.
- L. An operator of an intrastate pipeline transporting hazardous liquid or gas shall not install plastic pipe aboveground unless the plastic pipeline is protected by a metal casing, or equivalent, and the installation is approved by the Office of Pipeline Safety. An operator may use a temporary aboveground plastic pipeline bypass for up to 60 days, provided that the plastic pipeline is protected and is under the direct supervision of the operator at all times. This modifies 49 CFR 192.321 and 195.254.
- M. An operator of an intrastate pipeline transporting hazardous liquid or gas that constructs a pipeline system or any portion thereof using plastic pipe shall install, at a minimum, a 14-gauge coated or corrosion resistant, electrically conductive wire as a means of locating the pipe while it is underground. Tracer wire shall not be wrapped around the plastic pipe. Tracer wire may be taped, or attached to the pipe in another manner, provided that the adhesive or attachment is not detrimental to the integrity of the pipe wall. This modifies 49 CFR 192.321 and 195.246.
- N. An operator of an intrastate pipeline transporting gas or hazardous liquid that constructs an underground pipeline system using plastic pipe shall bury the installed pipe with at least 6 inches of sandy type soil, free of any rock or debris, surrounding the pipe for bedding and shading, unless the pipe is otherwise protected as approved by the Office of Pipeline Safety. Steel pipe shall be installed with at least 6 inches of sandy type soil, free of any debris or materials injurious to the pipe coating, surrounding the pipe for bedding and shading, unless the pipe is otherwise protected as approved by the Office of Pipeline Safety. This modifies 49 CFR 192.321, 192.361, and 195.246.
- O. An operator of an intrastate pipeline transporting gas that constructs an underground pipeline system using plastic pipe shall install the pipe with sufficient slack to allow for thermal expansion and contraction. In addition, all plastic pipe and fittings for use in an area with service temperatures above 100° F shall be tested and marked CD, CE, CF, or CG as required by ASTM D2513 (1995), including no future editions or amendments, which is incorporated by reference, on file with the Office of Pipeline Safety, and published by and available from ASTM International, 100 Barr Harbor Dr., P.O. Box C700, W. Conshohocken, PA 19428-2959 and through http://www.astm.org. This modifies 49 CFR 192.63.
- **P.** An operator of an intrastate pipeline system transporting hazardous liquid or gas shall qualify welding procedures and shall ensure that welding of steel pipelines is performed in accordance with API Standard 1104, as incorporated by reference in 49 CFR 192.7, by welders qualified pursuant to API Standard 1104, except that welders qualified as delineated in 49 CFR 192, Appendix C may be used for low stress level pipe. This modifies 49 CFR 192.225, 192.227, 195.214, and 195.222.
- **Q.** An operator of an intrastate pipeline transporting gas shall survey and grade all detected leakage according to the standards provided below, which modify 49 CFR 192.706 and 192.723:
 - 1. In the case of all gas except LPG, leakage surveys and grading shall be performed pursuant to the standards set by ASME Guide for Gas Transmission and Distribution Pipeline System, Guide Material, Appendix G-11-1983, including no future editions or amendments, which is incorporated by reference; on file with the Office of Pipeline Safety; published by and available from ASME, Three Two Park Avenue, New York, NY 10016-5990; and modified by omitting 4.4(c) and by replacing "should" with "shall" each time it appears.
 - 2. In the case of LPG, leakage surveys and grading shall be performed pursuant to the standards set by ASME Guide for Gas Transmission and Distribution Pipeline System, Guide Material, Appendix G-11A-1983, including no future editions or amendments, which is incorporated by reference; on file with the Office of Pipeline Safety; published by and available from ASME, Three Two Park Avenue, New York, NY 10016-5990; and modified by replacing "should" with "shall" each time it appears.



- 3. Leakage survey records shall identify in some manner each pipeline surveyed and shall be maintained to demonstrate that each required leakage survey has been conducted. This modifies 49 CFR 192.706 and 192.723.
- **R.** An operator of an intrastate transmission pipeline transporting gas shall conduct a leakage survey at least twice each calendar year, at an interval not exceeding 7 1/2 months, independent of class location, and shall repair each underground leak classified as grade two or three either upon discovery or within one year after discovery. This modifies 49 CFR 192.706 and 192.711.
- S. An operator of an intrastate transmission pipeline transporting gas and operating at or above 20 percent of Specified Minimum Yield Strength shall ensure that nondestructive testing is completed for each weld performed on newly installed, replaced, or repaired pipeline or an appurtenance. The nondestructive testing shall be completed before the newly welded area of the pipeline or appurtenance is used for service. This modifies 49 CFR 192.241.
- T. An operator of an LNG facility shall ensure that nondestructive testing is completed for each weld performed on newly installed, replaced, or repaired pipeline or an appurtenance. This modifies 49 CFR 193.2303.
- **<u>T-U.</u>** In the event of an unknown failure of a gas, LNG, or hazardous liquid pipeline, resulting in the operator's being required to provide a telephonic or written report under R14-5-203(B) or (C) and in the operator's removing a portion of the failed pipeline, the following shall occur:
 - 1. The operator shall retain the portion of failed pipeline that was removed;
 - 2. The operator shall telephonically notify the Office of Pipeline Safety of the removal within two hours after the removal is completed, providing the following information.
 - a. Identity of the failed pipeline,
 - b. Description and location of the failure,
 - c. Date and time of the removal,
 - d. Length or quantity of the removed portion,
 - e. Storage location of the removed portion, and
 - f. Any additional information about the failure or the removal of the portion of the failed pipeline that is requested by the Office of Pipeline Safety;
 - 3. Within 48 hours after receiving telephonic notification pursuant to subsection ($\mp \underline{U}$)(2), the Office of Pipeline Safety shall:
 - a. Determine, based on the information provided by the operator and the availability, adequacy, and reliability of any pipeline testing laboratory operated by the operator, whether it is necessary to have the removed portion of pipeline tested at an independent laboratory; and
 - b. Telephonically notify the operator either:
 - i. That the operator must have the removed portion of pipeline tested, in accordance with Office of Pipeline Safety directions, by an independent laboratory selected by the Office of Pipeline Safety as provided in subsection (Ŧ <u>U</u>)(5), to determine the cause or causes of the failure; or
 - ii. That the operator is not required to have the removed portion of pipeline tested by an independent laboratory and instead must conduct testing in its own pipeline testing laboratory, after which the operator may discard the removed portion of pipeline;
 - 4. After providing telephonic notice as provided in subsection (Ŧ <u>U</u>)(3)(b), the Office of Pipeline Safety shall confirm its notification in writing;
 - 5. If the Office of Pipeline Safety directs testing by an independent laboratory:
 - a. The Office of Pipeline Safety shall:
 - i. Determine, as provided in subsection ($\mp \underline{U}$)(6), the independent laboratory that will do the testing and the period of time within which the testing is to be completed;
 - ii. Determine, based on the available information concerning the failure, the number and types of tests to be performed on the removed pipeline; and
 - iii. Notify the operator of its determinations; and
 - b. The operator shall:
 - i. Contact the selected independent laboratory to arrange the scheduling of the required tests;
 - ii. Notify the Office of Pipeline Safety, at least 20 days before the date of the tests, of the date and time scheduled for the laboratory tests;
 - iii. At the request of the Office of Pipeline Safety, ensure that a representative of the Office of Pipeline Safety is permitted to observe any or all of the tests;
 - iv. Ensure that the original test results are provided to the Office of Pipeline Safety by the independent laboratory within 30 days after the tests are completed; and



- v. Pay for the independent laboratory testing; and
- 6. In determining an independent laboratory to perform testing required under subsection (Ŧ <u>U</u>), the Office of Pipeline Safety shall:
 - a. Submit to at least three different independent laboratories written requests for bids to conduct the testing;
 - b. Consider each responding independent laboratory's qualifications to perform the testing, as demonstrated by:
 - i. Past experience in performing the required test or tests according to ASTM International standards, and
 - ii. Any recognition that a laboratory may have received from a national or international laboratory accreditation body, such as through a certification or accreditation process;
 - c. Wait to select an independent laboratory until one of the following occurs:
 - The Office of Pipeline Safety has received written bids from at least three different independent laboratories, or
 - ii. Thirty days have passed since the date of the request for bids; and
 - d. Select the independent laboratory that offers the optimum balance between cost and demonstrated ability to perform the required test or tests. This modifies 49 CFR 192.617, 193.2515, and 195.402.
- **U.**V.An operator shall ensure that all repair work performed on an existing intrastate pipeline transporting LNG, hazardous liquid, or gas complies with this Article.
- **V.W.** The Commission may waive compliance with any of the requirements of this Section upon a finding that such a waiver is in the interest of public and pipeline safety.
- **W.X.** To ensure compliance with the provisions of this Article, the Commission or an authorized representative thereof may enter the premises of an operator of an intrastate pipeline to inspect and investigate the property, books, papers, electronic files, business methods, and affairs that pertain to the pipeline system operation.

R14-5-203. Pipeline Incident Reports

- **A.** Applicability. This Section applies to all intrastate pipeline systems.
- **B.** Required incident reports by telephone:
 - An operator of an intrastate pipeline transporting LNG or gas shall immediately notify by telephone the Office of Pipeline Safety, at 602-262-5601 during normal working hours or at 602-252-4449 at all other times, upon discovering the occurrence of any of the following related to the operator's intrastate pipeline system:
 - a. Release of gas or LNG from a pipeline or LNG facility, when any of the following results:
 - Death or personal injury requiring hospitalization;
 - ii. Injury to any individual resulting in loss of consciousness;
 - iii. An explosion or fire not intentionally set by the operator;
 - iv. Property damage estimated in excess of \$5,000, including the value of the gas lost; or
 - v. Unintentional release of gas from a transmission pipeline;
 - b. Emergency transmission pipeline shutdown;
 - c. News media inquiry;
 - d. Overpressure of a pipeline system where a pipeline operating at less than 12 PSIG exceeds MAOP by 50%, where a pipeline operating between 12 PSIG and 60 PSIG exceeds MAOP by 6 PSIG, or where a pipeline operating over 60 PSIG exceeds MAOP plus 10%;
 - e. Permanent or temporary discontinuance of service to a master meter system or when assisting with the isolation of any portion of a master meter system due to failure of a leak test;
 - f. Emergency shutdown of any LNG facility;
 - g. An evacuation; or
 - h. An outage.
 - 2. An operator of an intrastate pipeline transporting hazardous liquid shall immediately notify by telephone the Office of Pipeline Safety, at 602-262-5601 during normal working hours or at 602-252-4449 at all other times, upon discovering a failure in a pipeline system resulting in the occurrence of any of the following:
 - a. Injury to an individual that results in one or more of the following:
 - i. Death or personal injury requiring medical treatment,
 - ii. Loss of consciousness, or
 - iii. Inability of the individual to leave the scene of the incident unassisted;
 - b. An explosion or fire not intentionally set by the operator;



- c. Property damage estimated in excess of \$5,000;
- d. Pollution of any land or stream, river, lake, reservoir, or other body of water that violates applicable environmental quality or water quality standards, causes a discoloration of the water surface or adjoining shoreline, or deposits sludge or emulsion beneath the water surface or upon the adjoining shoreline;
- e. News media inquiry;
- f. Release of 5 gallons (19 liters) or more of hazardous liquid or carbon dioxide, except that no report is required for a release of less than 5 barrels (0.8 cubic meters) resulting from a pipeline maintenance activity if the release is:
 - i. Not otherwise reportable under this Section;
 - ii. Not one described in 49 CFR 195.52(a)(4), as incorporated by reference in R14-5-202 and available from the Office of Pipeline Safety;
 - iii. Confined to the operator's property or the pipeline right-of-way; and
 - iv. Cleaned up promptly; or
- g. Any release of hazardous liquid or carbon dioxide that was significant in the judgment of the operator even though it did not meet any of the criteria in subsections (B)(2)(a)-(f).
- 3. A telephonic incident report shall include the following information:
 - Name of the pipeline system operator,
 - b. Name of the reporting party,
 - c. Job title of the reporting party,
 - d. Telephone number of the reporting party,
 - e. Location of the incident,
 - f. Time of the incident, and
 - g. Description of any fatalities and injuries.

C. Required written incident reports:

- 1. An operator of an intrastate pipeline transporting LNG or gas shall file a written incident report when an incident involving a pipeline occurs resulting in any of the following:
 - a. Release of gas or LNG from a pipeline or LNG facility, when any of the following results:
 - i. Death or personal injury requiring hospitalization;
 - ii. Loss of consciousness;
 - iii. An explosion or fire not intentionally set by the operator;
 - iv. Property damage estimated in excess of \$25,000, including the value of all released gas; or
 - v. Unintentional release of gas from a transmission pipeline;
 - An incident involving an evacuation, outage, or property damage and resulting in expenses including the value of any released gas and of restoring service or evacuation estimated in excess of \$25,000;
 - c. Emergency transmission pipeline shutdown;
 - d. Overpressure of a pipeline system where a pipeline operating at less than 12 PSIG exceeds MAOP by 50%, where a pipeline operating between 12 PSIG and 60 PSIG exceeds MAOP by 6 PSIG, or where a pipeline operating over 60 PSIG exceeds MAOP plus 10%; or
 - e. Emergency shutdown of any LNG facility.
- 2. A written incident report concerning a gas pipeline system shall be completed using the following, as applicable, which are incorporated by reference; on file with the Office of Pipeline Safety; and published by and available from PHMSA at East Building, Second Floor, 1200 New Jersey Ave., SE, Washington, DC 20590, and at http://www.phmsa.dot.gov/pipeline/library/forms:
 - a. Form PHMSA F 7100.1: Incident Report Gas Distribution System (June 2011October 2014), including no future editions or amendments;
 - b. Form PHMSA F 7100.2: Incident Report Natural and Other Gas Transmission and Gathering Pipeline Systems (December 2012October 2014), including no future editions or amendments; or
 - c. Form PHMSA F 7100.3: Incident Report Liquefied Natural Gas (LNG) Facilities (June 2011 October 2014), including no future editions or amendments.
- 3. An operator of an intrastate pipeline transporting hazardous liquid shall file a written incident report completed using Form PHMSA F 7000-1: Accident Report Hazardous Liquid Pipeline Systems (December 2012 July 2014),



including no future editions or amendments, which is incorporated by reference, on file with the Office of Pipeline Safety, and published by and available from PHMSA as set forth in subsection (C)(2), any time the operator would have been required to make a notification as required under R14-5-203(B)(2).

- 4. A written incident report required by this Section shall be filed with the Office of Pipeline Safety within the time specified below:
 - a. For an LNG, or gas incident, within 20 days after detection; and
 - b. For a hazardous liquid incident, within 15 days after detection.
- 5. An operator shall either file a copy of each DOT required written incident report electronically with PHMSA at https://portal.phmsa.dot.gov/pipeline or submit a written request for an alternative reporting method to the Information Resource Manager, Office of Pipeline Safety, Pipeline and Hazardous Materials Safety Administration, PHP-20, 1200 New Jersey Avenue, SE, Washington, DC 20590, under 49 CFR 195.58, as incorporated by reference in R14-5-202.
- 6. After an incident involving shutdown or partial shutdown of a master meter system, an operator of a gas pipeline system shall request and obtain a clearance from the Office of Pipeline Safety before turning on or reinstating service to a the master meter system or portion of the master meter system that was shut down.

R14-5-204. Annual Reports

- A. An operator of an intrastate pipeline shall file with the Office of Pipeline Safety, not later than March 15, for the preceding calendar year, an annual report completed using one of the following, as applicable, which are incorporated by reference; on file with the Office of Pipeline Safety; and published by and available from PHMSA as provided in R14-5-203(C)(2):
 - 1. Form PHMSA F 7000-1.1: Annual Report for Calendar Year 20__ Hazardous Liquid Pipeline Systems (June 2011-2014), including no future editions or amendments, which shall be completed in accordance with the PHMSA instructions for the form;
 - 2. Form PHMSA F 7100.1-1: Annual Report for Calendar Year 20___ Gas Distribution System (January 2011), including no future editions or amendments, which shall be completed in accordance with the PHMSA instructions for the form;
 - 3. Form PHMSA F 7100.2-1: Annual Report for Calendar Year 20__ Natural and Other Gas Transmission and Gathering Pipeline Systems (December 2012October 2014), including no future editions or amendments, which shall be completed in accordance with the PHMSA instructions for the form; or
 - 4. Form PHMSA F 7100.3-1: Annual Report for Calendar Year 20__ Liquefied Natural Gas (LNG) Facilities (June 2011October 2014), including no future editions or amendments, which shall be completed in accordance with the PHMSA instructions for the form.
- **B.** An operator of an intrastate pipeline shall submit a copy of each required annual report by March 15, for the previous calendar year, to PHMSA at https://portal.phmsa.dot.gov/pipeline.

R14-5-205. Commission Investigations

- **A.** The Office of Pipeline Safety shall investigate the cause of each reportable incident, accident, or event resulting in a death or an injury requiring hospitalization and may investigate other incidents, accidents, or events.
- B. While investigating an incident, accident, or event, the Commission, or an authorized agent of the Commission may:
 - 1. Inspect all plant and facilities of a pipeline system and all other property of a pipeline system operator;
 - 2. Inspect the books, papers, business methods, and affairs of a pipeline system operator;
 - 3. Make inquiries regarding and interview persons having knowledge of facts surrounding an incident or accident;
 - 4. Attend, as an observer, all hearings and formal investigations concerning a pipeline system operator;
 - 5. Schedule and conduct a public hearing into the incident or accident; and
 - 6. Issue subpoenas to compel the production of records and the taking of testimony.

R14-5-207. Master Meter System Operators

- **A.** Applicability: This Section applies to the construction, reconstruction, repair, emergency procedures, operation, and maintenance of all master meter systems.
- **B.** An operator of a master meter system shall comply with this Section as a condition of receiving service from a provider. Noncompliance with this Section by an operator of a master meters meter system constitutes grounds for termination of service by the provider when informed in writing by the Office of Pipeline Safety. In case of an emergency, the Office of Pipeline Safety may give the provider oral instructions to terminate service, with written confirmation to be furnished within 24 hours.
- C. Each operator of a master meter system shall comply with all applicable requirements of 49 CFR 192, as incorporated by reference in R14-5-202.



- **D.** An operator of a master meter system shall:
 - 1. Establish an Operation and Maintenance Plan, including an emergency plan; and
 - 2. At all times, maintain a copy of the Operation and Maintenance Plan at the master meter system location.
- **E.** An operator of a master meter system shall:
 - 1. Ensure that no part of a gas pipeline system is constructed under a building and that no building is placed over any portion of a gas pipeline system; and
 - 2. Upon discovering that a building is located over a portion of a gas pipeline system, complete one of the following within 180 days:
 - a. Remove the building from over the pipeline,
 - b. Relocate the pipeline, or
 - c. Discontinue service to the portion of the pipeline system located under the building.
- **F.** An operator of a master meter system shall not install Acrylonitrile-Butadiene-Styrene (ABS) or aluminum pipe in the master meter system.
- **G.** An operator of a master meter system that constructs a pipeline or any portion thereof using plastic pipe shall install, at a minimum, a 14-gauge coated or corrosion resistant, electrically conductive wire as a means of locating the pipe while it is underground. Tracer wire shall not be wrapped around the plastic pipe. Tracer wire may be taped or attached to the pipe in another manner, provided that the adhesive or attachment is not detrimental to the integrity of the pipe wall.
- **H.** An operator of a master meter system that constructs an underground pipeline using plastic pipe shall bury the installed pipe with at least 6 inches of sandy type soil, free of any rock or debris, surrounding the pipe for bedding and shading, unless the pipe is otherwise protected as approved by the Office of Pipeline Safety. Steel pipe shall be installed with at least 6 inches of sandy type soil, free of any debris or materials injurious to the pipe coating, surrounding the pipe for bedding and shading, unless the pipe is otherwise protected as approved by the Office of Pipeline Safety.
- I. An operator of a master meter system that constructs an underground pipeline using plastic pipe shall install the pipe with sufficient slack to allow for thermal expansion and contraction. In addition, all plastic pipe and fittings for use in an area with service temperatures above 100° F shall be marked CD, CE, CF, or CG as required by ASTM D2513 (1995), incorporated by reference in R14-5-202 and available from the Office of Pipeline Safety.
- **J.** An operator of a master meter system shall qualify welding procedures and shall ensure that welding of steel pipelines is performed in accordance with API Standard 1104, as incorporated by reference in 49 CFR 192.7 and R14-5-202, by welders qualified pursuant to API Standard 1104.
- **K.** An operator of a master meter system shall ensure that all repair work performed on an existing master meter system complies with this Article.
- **L.** An operator of a master meter system shall:
 - 1. Ensure that each underground steel pipeline is protected against external corrosion with an external protective coating meeting the requirements of 49 CFR 192.461;
 - 2. When installing a new underground steel pipeline system, before placing the new pipeline system into service, provide a cathodic protection system designed to protect the new pipeline system in its entirety;
 - 3. When repairing, partially replacing, or relocating an existing underground steel pipeline system, within 45 days after completing the repair, replacement, or relocation, provide a cathodic protection system designed to protect the pipeline system; and
 - 4. Ensure that each cathodic protection system has a voltage of at least negative 0.85 volts direct current (-0.85Vdc) as measured using a saturated copper-copper sulfate half cell.
- **M.** An operator of a master meter system shall ensure that no portion of an underground gas system is installed less than 8 inches away from any other underground structure.
- **N.** At least 30 days before commencing construction of any pipeline, an operator of a master meter system shall file with the Office of Pipeline Safety a Notice of Construction that includes at least the following information:
 - 1. The dates projected for commencing and completing construction,
 - 2. The size and type of pipe to be used,
 - 3. The location of construction, and
 - 4. The MAOP for the new pipeline.
- **O.** An operator of a master meter system shall:
 - 1. Perform leakage surveys at intervals not exceeding 15 months, but at least once each calendar year, using leak detection procedures approved by the Office of Pipeline Safety;
 - 2. Except for LPG, perform each leakage survey in accordance with ASME Guide for Gas Transmission and Distribution Pipeline System, Guide Material, Appendix G-11-1983, other than 4.4(c), as incorporated by reference in R14-5-202(Q);



- 3. For LPG, perform each leakage survey in accordance with ASME Guide for Gas Transmission and Distribution Pipeline System, Guide Material, Appendix G-11A-1983, as incorporated by reference in R14-5-202(Q); and
- 4. Repair each grade 1 leak immediately upon discovery, each grade 2 leak within 30 days of discovery, and each grade 3 leak within one year of discovery.
- **P.** In the event of an unknown failure of a gas pipeline resulting in a master meter <u>system</u> operator's being required to provide a report under subsection (Q) and in the operator's removing a portion of the failed pipeline, the following shall occur:
 - 1. The operator shall retain the portion of failed pipeline that was removed;
 - 2. The operator shall telephonically notify the Office of Pipeline Safety of the removal within two hours after the removal is completed, providing the following information:
 - a. Identity of the failed pipeline,
 - b. Description and location of the failure,
 - c. Date and time of the removal,
 - d. Length or quantity of the removed portion,
 - e. Storage location of the removed portion, and
 - f. Any additional information about the failure or the removal of the portion of the failed pipeline that is requested by the Office of Pipeline Safety;
 - 3. Within 48 hours after receiving telephonic notification pursuant to subsection (Q)(2), the Office of Pipeline Safety shall:
 - Determine, based on the information provided by the operator and the availability, adequacy, and reliability of any pipeline testing laboratory operated by the operator, whether it is necessary to have the removed portion of pipeline tested at an independent laboratory; and
 - b. Telephonically notify the operator either:
 - i. That the operator must have the removed portion of pipeline tested, in accordance with Office of Pipeline Safety directions, by an independent laboratory selected by the Office of Pipeline Safety as provided in subsection (P)(6), to determine the cause or causes of the failure; or
 - ii. That the operator is not required to have the removed portion of pipeline tested by an independent laboratory and instead must conduct testing in its own pipeline testing laboratory, after which the operator may discard the removed portion of pipeline;
 - 4. After providing telephonic notice as provided in subsection (P)(3)(b), the Office of Pipeline Safety shall confirm its notification in writing;
 - 5. If the Office of Pipeline Safety directs testing by an independent laboratory:
 - a. The Office of Pipeline Safety shall:
 - i. Determine, as provided in subsection (P)(6), the independent laboratory that will do the testing and the period of time within which the testing is to be completed;
 - ii. Determine, based on the available information concerning the failure, the number and types of tests to be performed on the removed pipeline; and
 - iii. Notify the operator of its determinations;
 - b. The operator shall:
 - i. Contact the selected independent laboratory to arrange the scheduling of the required tests;
 - ii. Notify the Office of Pipeline Safety, at least 20 days before the date of the tests, of the date and time scheduled for the laboratory tests;
 - iii. At the request of the Office of Pipeline Safety, ensure that a representative of the Office of Pipeline Safety is permitted to observe any or all of the tests;
 - iv. Ensure that the original test results are provided to the Office of Pipeline Safety by the independent laboratory within 30 days after the tests are completed; and
 - v. Pay for the independent laboratory testing; and
 - 6. In determining an independent laboratory to perform testing required under subsection (P), the Office of Pipeline Safety shall:
 - a. Submit to at least three different independent laboratories written requests for bids to conduct the testing;
 - b. Consider each responding laboratory's qualifications to perform the testing, as demonstrated by:
 - i. Past experience in performing the required test or tests according to ASTM International standards; and



- ii. Any recognition that a laboratory may have received from a national or international laboratory accreditation body, such as through a certification or accreditation process;
- c. Wait to select an independent laboratory until:
 - The Office of Pipeline Safety has received written bids from at least three different independent laboratories; or
 - ii. Thirty days have passed since the date of the request for bids, whichever comes sooner; and
- d. Select the independent laboratory that offers the optimum balance between cost and demonstrated ability to perform the required test or tests.
- **Q.** An operator of a master meter system shall:
 - 1. Telephonically notify the Office of Pipeline Safety, at 602-262-5601 during normal working hours or at 602-252-4449 at all other times, at the earliest practicable moment following discovery of any of the following related to the operator's master meter system:
 - a. An event involving a release of gas from a pipeline, along with any of the following:
 - i. A death or personal injury requiring hospitalization;
 - ii. Injury to any individual resulting in the individual's loss of consciousness;
 - iii. Estimated property damage, including the value of all released gas, in excess of \$5,000;
 - iv. Unintentional estimated gas loss of 3 million cubic feet or more;
 - v. An explosion or fire not intentionally set by the operator;
 - vi. A news media inquiry;
 - vii. An evacuation; or
 - viii. An outage;
 - b. An event involving overpressure of a pipeline system where a pipeline operating at less than 12 PSIG exceeds MAOP by 50%, where a pipeline operating between 12 PSIG and 60 PSIG exceeds MAOP by 6 PSIG, or where a pipeline operating over 60 PSIG exceeds MAOP plus 10%;
 - An event involving permanent or temporary discontinuance of service to a master meter system or any portion
 of a master meter system due to a failure of a leak test or for any purpose other than to perform routine maintenance; or
 - d. An event that is significant, in the judgment of the operator, even though it does not meet any of the criteria listed in subsections (Q)(1)(a) through (c);
 - 2. Include the following information in a telephonic report under subsection (Q)(1):
 - a. The names of the operator and the person making the report;
 - b. The job title of the person making the report;
 - c. The telephone numbers of the operator and the person making the report;
 - d. A description of the type and location of the event;
 - e. The time of the event;
 - f. The number of fatalities and personal injuries, if any; and
 - g. All other significant facts that are known by the operator and are relevant to the cause of the event or the extent of the damages; and
 - 3. Not later than April 15 of each year, submit to the Office of Pipeline Safety an annual report for the prior calendar year, completed on Commission Form MM-04: "Annual Report for Calendar Year 20____, Small Operators of Gas Distribution System," which is included herein as Exhibit A.
- **R.** The Commission may waive compliance with any of the requirements of this Section upon a finding that such a waiver is in the interest of public and pipeline safety.
- S. To ensure compliance with all applicable provisions of this Article, the Commission or an authorized representative thereof, may enter the premises of an operator of a master meter system to inspect and investigate the property, books, papers, electronic files, business methods, and affairs that pertain to the operation of the master meter system.